



LOGO

< Organization name >

Effective Date of Policy- DD/MM/YY

PTO Policy

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1.0 What is the PTO policy?

PTO refers to Paid Time Off. It is a period in which employees can take leave off without losing their earnings/payout. It is also known as statutory leave or annual leave.

PTO accounts for various reasons for absence:

- Sickness
- Marriage reasons
- Vacation
- Personal reasons
- Mishappening

PTO is one of the significant benefits offered by companies to their employees. Paid time off is a central plus point for a company looking to hire fresh talent.

2.0 How does PTO policy work?

The implementation of the PTO policy varies from company to company. There are three choices for PTO policy:

- Traditional PTO systems
- PTO bank systems
- Unlimited PTO systems

2.1 Traditional PTO systems

The company's PTO policy determines leave entitlement to employees.

For example, if salaried employees get two leaves for a month they work, they are entitled to 24 leaves a year.

An employer can also set PTO hours for each employee based on their policy. If this happens, PTO is not accrued; they remain the same throughout.

2.2 PTO bank systems

Various businesses used to categorize the leaves into different types. We can take a typical example to understand these multiple types of leaves

- Eight days of vacation leave
- Seven days of casual leave
- Six days of sick leave
- Four days of personal leave

However, using the modern PTO model, companies can provide various types of leave based on multiple perspectives.

2.3 Unlimited PTO systems

Businesses may allow employees to take leaves according to their flexibility. This option became popular during COVID-19. It gives freedom and control to employees to take off as per their requirements.

2.3.1 Types of Paid time off

2.3.1.1. Sick Leave

Sick leave allows employees to take work off during injury or illness. Depending upon your PTO policy, a company can assign a specific number of sick leaves to employees during a financial year.

2.3.1.2 Vacation Leave

Vacation leave is that type of leave that entitles one to take rest from hectic work life and focus on personal life.

2.3.1.3. Optional Leave

Optional leave means leave that employees can take or not according to their will. Employees will get paid if they will not take optional leave.

2.3.1.4. Parental Leave

Parental leave is the type of leave that an employee takes when they become parents. The amount of PTO leaves is determined by the law in our country.

2.3.1.5. Earned Leave

Earned leave is evident by the name that these leaves are achieved by the employees. These leaves are made by employees by working during the significant time they work and taking the day off as per their requirement.

2.3.1.6. Study Leave

Study leave is those leaves that employees take at the time of higher study. They can take leave to attend classes, tests, or any event.

2.3.1.7. Jury Leave

Jury leave refers to those leaves which employees take to attend legal proceedings. It depends upon the country in which the business operates.

2.3.1.8. Leave to cast a vote.

This PTO leave allows employees to take leave to cast votes in national or local elections. It can vary from hours off to a day off.

2.3.1.9. Duvet off

A duvet off is that type of leave in which employees can take leave without informing in advance to take care of their mental well-being.

3.0 Standard PTO Policy

A standard PTO policy grants employees 10 days of vacation, 8 sick days, and 2 personal days. Employees are also usually able to access leave for a variety of reasons including bereavement, civil duty, and parental — albeit unpaid — but separate from the initial allotment of days. These are the company standards followed nowadays.

4.0 PTO policy template

The type of PTO policy is traditional, and it is effective from
Date (insert date) in the company (name of company)
Employees can start using their PTO days (after completing
their probationary period).

Accrual and Rollover policy

Decide whether you will allow your employees to accrue their PTO days or if they will get one sum at the beginning of the year.

If you allow accrual: Employees can accrue based on their years of service.

If a rollover policy is allowed: Employees can carry over their leaves to the next year if unused.

If rollover policy is not allowed: Employees must use their PTO days before the end of the year; otherwise, they will not be carried further.

Accrual Eligibility

Full-time employees (anyone working more than 40 hours a week) can earn PTO days based on their years of service.

Part-time employees (anyone working for less than 40 years a week) are eligible to earn PTO days based on their working hours.

Years of Service	Days accumulated	Hours accumulated	Max annual accumulation
0-2 years			
3-4 years			

To know more about the policy, please visit

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